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22 November 2019

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Head of Commercial
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Dear James and David

Approval of the Connection Contracts at Cardiff Queen Street and Radyr Line Junctions between Network Rail Infrastructure Limited and Amey Keolis Infrastructure Limited dated 22 November 2019

1. We have today approved the terms of the above connection contracts submitted to the Office of Rail and Road formally on 27 September 2019 under section 22 of the Railways Act 1993 (the Act). This is to facilitate the divestment and transfer of the Cardiff Core Valley Lines from Network Rail Infrastructure (NRI) to Amey Keolis Infrastructure (AKI). Please find enclosed a copy of our direction notices, directing the parties to enter into the contract. This letter sets out the reasons for our decision.

Background

2. The transfer of 137km of track in the Cardiff and valleys area from NRI to AKI in 2020 will require two new connection agreements at the points where the networks meet south of Queen Street station and where the Radyr line diverges, west of Canton. These agreements will be different from ORR's model connection contract, as there is no connecting network as usually exists when a facility owner connects to Network Rail's network. Instead, two Infrastructure Managers are connecting their networks together at a designed point, which is part of the already existing running line.

Consultation

3. Network Rail ran an industry consultation for the new connection contracts from 7 August to 4 September 2019. No outstanding objections to the proposed connection contracts were declared.



ORR Review

4. We received the informal consultation of the contract on 7 August 2019, and reviewed the submitted connection contracts and associated documents. We received copies of the consultation correspondence once the consultation was complete, and a formal submission of the application on 27 September 2019.
5. A number of consequential changes have been made to reflect the changes required as a result of the Connection Points being between two networks as opposed to a Connection Point and Adjacent Facility. Annex 1 of Form C lists the departures from our model connection contract, including bespoke provisions for termination. Both parties are informed Infrastructure Managers and want to enter these bespoke arrangements to provide certainty for this project. They do so with their eyes wide open, fully understanding the implications. We have reviewed these and are content to approve these modifications.

ORR Decision

6. This application is under section 18 of the Act and therefore is agreed between the parties, who are prepared to enter into the agreement.
7. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
 - (i) to protect the interests of users of railway assets;
 - (ii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent ...economically practicable;
 - (iii) to promote efficiency and economy on the part of the persons providing railway services; and
 - (iv) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
8. Under clause 18.2.3 of the connection contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and AKL. We look forward to receiving the conformed copy.
9. In entering any provision on the register, we are required to have regard to the need to exclude, as far as is practicable, the matters specified in section 71(2)(a) and (b) of the Act. These sections refer to:
 - (i) any matter which relates to the affairs of an individual, where publication of that matter would or might, in the opinion of the ORR, seriously and prejudicially affect the interests of that individual; and



(ii) any matter which relates to the affairs of a particular body of persons, whether corporate or incorporate, where publication of that matter would or might, in the opinion of the ORR, seriously and prejudicially affect the interests of that body.

10. Therefore, when submitting the copy of the signed agreement would you please identify any matters that you would like us to consider redacting before publication. You will need to give reasons for each request explaining why you consider that publication would seriously and prejudicially affect your interests.

Yours sincerely

Steve Jones